

12 March 1956

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT: CIA Legislation

1. In a conversation this morning with Hart Perry of the Bureau of the Budget I was informed that the Bureau is still not in a position to come up with a definitive reaction on our medical benefits and retirement proposals. These matters, which affect the State Department as well as CIA, will have to be held in abeyance until there is an over-all Administration position. The Bureau is hopeful that within a week or ten days they will have something definitive, although we have heard this story before and I am not too confident that they will live up to this.

2. In view of the passage of time, I have requested the Bureau again to give us a reaction on the other parts of our proposed legislation. Mr. Perry indicated that he felt this could be done, and gave me an informal reading that we would probably encounter opposition only on the "Territories and possessions" coverage and on the proposed death gratuity. On both of these points, I am afraid we can assume that the Budget Bureau will take a negative position.

3. Under the circumstances, I would recommend that unless we hear further from the Bureau by the latter part of this week, we request a formal statement of their position on these points. In the meantime, I would suggest that steps be taken internally to decide just how strongly the Agency would feel in the event of a turn-down on these two provisions, so that we can decide whether or not an appeal from the DCI to the Director of the Bureau will be called for.

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